

Statement
Insurance Association of Connecticut

Labor and Public Employees Committee

February 28, 2012

SB 151, An Act Concerning Additional Requirements For An Employer's Notice
To Dispute Certain Care Deemed Reasonable For An Employee
Under The Workers' Compensation Act

The Insurance Association of Connecticut opposes SB 151, An Act Concerning Additional Requirements For An Employer's Notice To Dispute Certain Care Deemed Reasonable For An Employee Under The Workers' Compensation Act.

By shifting the burden from the medical provider to support the treatment for the Workers' Compensation claimant to the employer/insurer to dispute the treatment, SB 151 will markedly increase medical utilization, resulting in excessive and improper care under the Workers' Compensation Act.

SB 151 in effect creates a "presumption of correctness" for the medical provider's treatment plan. California had a similar presumption years ago, which resulted in an explosion of Workers' Compensation medical costs. The presumption was repealed in 2004 as a key part of California's reform legislation, which resulted in major cost reductions.

SB 151 would put unfair restrictions on an employer's or insurer's ability to challenge a medical treatment plan, and would prevent the discontinuation of a disputed medical treatment until the completion of a hearing and the issuance of a written decision by a Workers' Compensation Commissioner. During that period the employer/insurer will be forced to pay for care that may be unnecessary or even

dangerous to the employee's health, may be unrelated to the claimed work-related injury, or may be palliative instead of curative.

SB 151 will increase administrative costs for the parties, as the resulting excessive medical utilization will lead to more disputes and more Commission hearings. By creating improper delays to terminate unnecessary or improper medical treatment, SB 151 will cause injured workers to stay out of work longer, thereby increasing Workers' Compensation indemnity costs as well.

SB 151 is in direct conflict with the Workers' Compensation Payor/Provider Guidelines recently developed by all interested parties. In fact, hearing requests are down markedly since implementation of the Guidelines by Workers' Compensation Commission.

SB 151 also establishes a vague standard for claimant choice of treatment in subsection (d) that invites further confusion and potentially compromised quality of care under the Workers' Compensation Act.

SB 151 would mean greatly increased costs under the Act for Connecticut employers. In fact, in the 2011 legislative session the Office of Fiscal Analysis found "a potential significant impact to state and municipalities" concerning similar legislation. Such legislation was properly defeated in 2011.

IAC urges rejection of SB 151.